

Principles-Based Sustainable and Responsible Investment Taxonomy for the Malaysian Capital Market



The *Principles-Based Sustainable and Responsible Investment Taxonomy for the Malaysian Capital Market* (SRI Taxonomy) is aimed at reinforcing the capital market's role in accelerating national climate and sustainability goals.

The SRI Taxonomy provides universal guiding principles for the classification of economic activities that are aligned with environmental, social and sustainability objectives.

It aims to provide greater clarity towards enabling proper and consistent identification and classification of various types of economic activities as well as the definition of sustainable investments. It also seeks to address concerns on the need to mitigate and manage the risks of greenwashing.

Key components under the SRI Taxonomy

Environmental component: The SRI Taxonomy outlines four environmental objectives



Climate change mitigation



Climate change adaptation



Protection of healthy ecosystems and biodiversity



Promotion of resource resilience and transition to circular economy

Social component: The SRI Taxonomy outlines three social objectives



Enhanced conduct towards workers



Enhanced conduct towards consumers and end-users



Enhanced conduct towards affected communities and wider society